



**United States Department of Agriculture**

Office of the Secretary  
Washington, D.C. 20250

The Honorable Blanche L. Lincoln  
Chairwoman  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate  
328A Russell Senate Office Building  
Washington, D.C. 20510

DEC 31 2009

Dear Madam Chairwoman:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

Although Section 4141 authorized several different types of projects, FCEA provided funding only for incentives at the point of sale to encourage participating households to purchase fruits, vegetables, or other healthful foods. This report, therefore, focuses on USDA's activities to date to plan and develop the Healthy Incentives Pilot (HIP)-our name for the FCEA-funded demonstration and evaluation of point-of-purchase incentives.

When the Department of Agriculture (USDA) began planning for this project, we recognized the importance and the challenge it presents for using the purchase-based nature of the program to encourage and support more healthful food choices. To take full advantage of this opportunity and meet the challenge, USDA made an up-front investment of time and effort so that the project:

- Reflects fully-informed choices among many options for the pilot's scope and approach;
- Addresses the operational requirements of the program's diverse retailer population; and
- Supports a rigorous evaluation with results that tell policy makers whether these incentives make a real difference in the consumption of healthful foods.

Our development process, the key questions and issues that we addressed in designing the project, and its current status are described below.

#### Planning

To help ensure the success of this project, the Food and Nutrition Service (FNS) brought key stakeholders together in October 2008 to discuss pilot features expected to promote healthy food

choices, evaluation features required to provide authoritative results, and retailer and electronic benefit transfer (EBT) system changes needed to support pilot operations. Participants were drawn from universities, the private sector, and other government agencies. They represented diverse interests, including health and nutrition, fruit and vegetable production and marketing, food retailing (including farmers' markets), SNAP agencies, EBT systems; and research design. FNS continued to consult with a variety of experts as it developed the outlines of the pilot project and its evaluation.

### Pilot Design

The design of the pilot and evaluation have been guided by our desire to create a pilot that can successfully increase fruit and vegetable purchases, meets statutory requirements for a strong evaluation, has the potential to be replicated nationwide if successful, and fits within the available funding. Consistent with these goals, HIP will:

- Provide about 7,500 SNAP households (chosen through random selection) with an opportunity to earn the incentive over a 12-month period;
- Operate within a single site with a SNAP caseload of between 35,000 and 60,000 households-an area this size offers involvement by a reasonable number of food retailers and helps to ensure that the evaluation control group (a sample of households who do not participate in HIP) are not aware or influenced by pilot operations;
- Select and support a State SNAP agency and its designated team to plan, implement, and operate the pilot;
- Target the financial incentive to the purchase of fruits and vegetables as defined for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) cash value voucher for fruits and vegetables-these include most fruit and vegetable products without added sugar, fats, or oils and encompass all forms (fresh, frozen, canned, and dried);
- Provide an incentive equal to 30 percent of the cost of each target food purchase with a monthly cap to help discourage misuse;
- Use the existing SNAP EBT infrastructure to deliver the incentive, crediting the incentive to household EBT accounts with each target food purchase (once the incentive is posted to the account it can be used like any other SNAP benefit); and
- Offer all SNAP-authorized retailers in the pilot area that sell target foods directly to households the opportunity to participate in HIP.

### Evaluation Design

The legislation authorizing HIP provides for an evaluation and requires that "the independent evaluation...use rigorous methodologies, particularly random assignment..." To that end, a sample of about 1,500 SNAP households selected from the 7,500 participating in HIP will be randomly assigned to an experimental group, while the same number of SNAP households not participating in HIP will be randomly selected for the control group. Comparisons between these groups will form the basis for determining HIP's impacts. This research design provides the rigor necessary to attribute any changes in fruit and vegetable consumption to the incentive.

Key evaluation objectives are to:

- Determine if the financial incentive provided by HIP increases the amount of fruits and vegetables consumed;
- Determine if the incentive substitutes for resources that would otherwise have been spent on fruits and vegetables, and if additional calories consumed in fruits and vegetables displace calories from other food groups;
- Identify the household characteristics and circumstances that influence any observed impact; and
- Estimate the Federal, State and local administrative expenses and benefits.

The evaluation will also assess HIP's impacts on the State SNAP agency and its partners and describe the procedures involved in planning, implementing, and operating the pilot.

Authoritatively addressing the evaluation objectives requires a relatively complex and intensive data collection plan. Detailed information on participant dietary intake will be necessary to answer the main questions about impacts on food consumption. This information will be collected on multiple occasions to assess early dietary changes after a few months of HIP participation and again several months later. In addition, interviews with SNAP staff, EBT vendors, food retailers and other pilot team members will document the implementation experience, potentially different effects on each stakeholder group, and opinions about pilot operations.

#### Current Status

FNS will competitively select a State SNAP agency and team for the pilot, as well as an independent contractor to carry out the evaluation. An announcement of the competition for both the pilot cooperative agreement and evaluation contract was made on December 18, 2009. This announcement can be viewed at [www.fns.usda/snap/hip](http://www.fns.usda/snap/hip).

Pilot applications from States are due by May 21, 2010, and evaluation proposals are due by March 15, 2010. FNS expects to award the evaluation contract in June 2010 and select a pilot site in August 2010. Depending on the site selected and the time necessary to make the needed EBT and retailer information technology system changes, the pilot will begin operations about 12 to 15 months after selection (roughly late 2011). We estimate that the evaluation will be completed in late 2013 or about 12 months after HIP operations end. The operational time lines are subject to change based on first hand implementation experience.

In conclusion, I am pleased to report that we have worked hard to ensure that the substantial investment that Congress made in HIP will, once operations and evaluation are complete, yield rigorous information on the impact of point-of-sale incentives on fruit and vegetable consumption. I look forward to steady progress in selecting, establishing, and launching HIP in the coming year.

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Sincerely,

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Kevin W. Concannon  
Under Secretary  
Food, Nutrition, and Consumer Services



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Saxby Chambliss  
Ranking Member  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate  
328A Russell Senate Office Building  
Washington, D.C. 20510

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Kevin W. Concannon  
Under Secretary  
Food, Nutrition, and Consumer Services





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Office of the Secretary  
Washington, D.C. 20250

The Honorable Sherrod Brown  
Chairman  
Subcommittee on Nutrition and Food Assistance,  
Sustainable and Organic Agriculture, and General  
Legislation  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate  
713 Hart Senate Office Building  
Washington, D.C. 20510

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The legislation authorizing HIP provides for an evaluation and requires that “the independent evaluation...use rigorous methodologies, particularly random assignment...” To that end, a sample of about 1,500 SNAP households selected from the 7,500 participating in HIP will be randomly assigned to an experimental group, while the same number of SNAP households not participating in HIP will be randomly selected for the control group. Comparisons between these groups will form the basis for determining HIP's impacts. This research design provides the rigor necessary to attribute any changes in fruit and vegetable consumption to the incentive.

Key evaluation objectives are to:

- Determine if the financial incentive provided by HIP increases the amount of fruits and vegetables consumed;
- Determine if the incentive substitutes for resources that would otherwise have been spent on fruits and vegetables, and if additional calories consumed in fruits and vegetables displace calories from other food groups;
- Identify the household characteristics and circumstances that influence any observed impact; and
- Estimate the Federal, State and local administrative expenses and benefits.

The evaluation will also assess HIP's impacts on the State SNAP agency and its partners and describe the procedures involved in planning, implementing, and operating the pilot.

Authoritatively addressing the evaluation objectives requires a relatively complex and intensive data collection plan. Detailed information on participant dietary intake will be necessary to answer the main questions about impacts on food consumption. This information will be collected on multiple occasions to assess early dietary changes after a few months of HIP participation and again several months later. In addition, interviews with SNAP staff, EBT vendors, food retailers and other pilot team members will document the implementation experience, potentially different effects on each stakeholder group, and opinions about pilot operations.

#### Current Status

FNS will competitively select a State SNAP agency and team for the pilot, as well as an independent contractor to carry out the evaluation. An announcement of the competition for both the pilot cooperative agreement and evaluation contract was made on December 18, 2009. This announcement can be viewed at [www.fns.usda/snap/hip](http://www.fns.usda/snap/hip).

Pilot applications from States are due by May 21, 2010, and evaluation proposals are due by March 15, 2010. FNS expects to award the evaluation contract in June 2010 and select a pilot site in August 2010. Depending on the site selected and the time necessary to make the needed EBT and retailer information technology system changes, the pilot will begin operations about 12 to 15 months after selection (roughly late 2011). We estimate that the evaluation will be completed in late 2013 or about 12 months after HIP operations end. The operational time lines are subject to change based on first hand implementation experience.

In conclusion, I am pleased to report that we have worked hard to ensure that the substantial investment that Congress made in HIP will, once operations and evaluation are complete, yield rigorous information on the impact of point-of-sale incentives on fruit and vegetable consumption. I look forward to steady progress in selecting, establishing, and launching HIP in the coming year.

The Honorable Rosa L. DeLauro

Page 4

If you have any questions or would like additional information about our progress to date or other issues related to the pilot, please feel free to contact me. A similar letter is being sent to your colleagues.

Sincerely,

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Kevin W. Concannon

Under Secretary

Food, Nutrition, and Consumer Services



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Jack Kingston  
Ranking Member  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
2368 Rayburn House Office Building  
Washington, D.C. 20515

DEC 31 2009

Dear Congressman Kingston:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

Although Section 4141 authorized several different types of projects, FCEA provided funding only for incentives at the point of sale to encourage participating households to purchase fruits, vegetables, or other healthful foods. This report, therefore, focuses on USDA's activities to date to plan and develop the Healthy Incentives Pilot (HIP)-our name for the FCEA-funded demonstration and evaluation of point-of-purchase incentives.

When the Department of Agriculture (USDA) began planning for this project, we recognized the importance and the challenge it presents for using the purchase-based nature of the program to encourage and support more healthful food choices. To take full advantage of this opportunity and meet the challenge, USDA made an up-front investment of time and effort so that the project:

- Reflects fully-informed choices among many options for the pilot's scope and approach;
- Addresses the operational requirements of the program's diverse retailer population; and
- Supports a rigorous evaluation with results that tell policy makers whether these incentives make a real difference in the consumption of healthful foods.

Our development process, the key questions and issues that we addressed in designing the project, and its current status are described below.

#### Planning

To help ensure the success of this project, the Food and Nutrition Service (FNS) brought key stakeholders together in October 2008 to discuss pilot features expected to promote healthy food

choices, evaluation features required to provide authoritative results, and retailer and electronic benefit transfer (EBT) system changes needed to support pilot operations. Participants were drawn from universities, the private sector, and other government agencies. They represented diverse interests, including health and nutrition, fruit and vegetable production and marketing, food retailing (including farmers' markets), SNAP agencies, EBT systems; and research design. FNS continued to consult with a variety of experts as it developed the outlines of the pilot project and its evaluation.

#### Pilot Design

The design of the pilot and evaluation have been guided by our desire to create a pilot that can successfully increase fruit and vegetable purchases, meets statutory requirements for a strong evaluation, has the potential to be replicated nationwide if successful, and fits within the available funding. Consistent with these goals, HIP will:

- Provide about 7,500 SNAP households (chosen through random selection) with an opportunity to earn the incentive over a 12-month period;
- Operate within a single site with a SNAP caseload of between 35,000 and 60,000 households-an area this size offers involvement by a reasonable number of food retailers and helps to ensure that the evaluation control group (a sample of households who do not participate in HIP) are not aware or influenced by pilot operations;
- Select and support a State SNAP agency and its designated team to plan, implement, and operate the pilot;
- Target the financial incentive to the purchase of fruits and vegetables as defined for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) cash value voucher for fruits and vegetables-these include most fruit and vegetable products without added sugar, fats, or oils and encompass all forms (fresh, frozen, canned, and dried);
- Provide an incentive equal to 30 percent of the cost of each target food purchase with a monthly cap to help discourage misuse;
- Use the existing SNAP EBT infrastructure to deliver the incentive, crediting the incentive to household EBT accounts with each target food purchase (once the incentive is posted to the account it can be used like any other SNAP benefit); and
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The Honorable Jack Kingston  
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Kevin W. Concannon  
Under Secretary  
Food, Nutrition, and Consumer Services





United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Joe Baca  
Chairman  
Subcommittee on Department Operations,  
Oversight, Nutrition, and Forestry  
Committee on Agriculture  
U.S. House of Representatives  
2245 Rayburn House Office Building  
Washington, D.C. 20515

DEC 31 2009

Dear Congressman Baca:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

Although Section 4141 authorized several different types of projects, FCEA provided funding only for incentives at the point of sale to encourage participating households to purchase fruits, vegetables, or other healthful foods. This report, therefore, focuses on USDA's activities to date to plan and develop the Healthy Incentives Pilot (HIP)-our name for the FCEA-funded demonstration and evaluation of point-of-purchase incentives.

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- Select and support a State SNAP agency and its designated team to plan, implement, and operate the pilot;
- Target the financial incentive to the purchase of fruits and vegetables as defined for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) cash value voucher for fruits and vegetables-these include most fruit and vegetable products without added sugar, fats, or oils and encompass all forms (fresh, frozen, canned, and dried);
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The Honorable Joe Baca  
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Sincerely,

A handwritten signature in black ink, reading "Kevin W. Concannon". The signature is fluid and cursive, with the first name "Kevin" and last name "Concannon" clearly legible.

Kevin W. Concannon

Under Secretary

Food, Nutrition, and Consumer Services



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Jeff Fortenberry  
Ranking Member  
Subcommittee on Department Operations,  
Oversight, Nutrition, and Forestry  
Committee on Agriculture  
U.S. House of Representatives  
1535 Longworth House Office Building  
Washington, D.C. 20515-2701

DEC 31 2009

Dear Congressman Fortenberry:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

Although Section 4141 authorized several different types of projects, FCEA provided funding only for incentives at the point of sale to encourage participating households to purchase fruits, vegetables, or other healthful foods. This report, therefore, focuses on USDA's activities to date to plan and develop the Healthy Incentives Pilot (HIP)-our name for the FCEA-funded demonstration and evaluation of point-of-purchase incentives.

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The Honorable Jeff Fortenberry

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Under Secretary

Food, Nutrition, and Consumer Services





United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Collin Peterson  
Chairman  
Committee on Agriculture  
U.S. House of Representatives  
1301 Longworth House Office Building  
Washington, D.C. 20515

DEC 31 2009

Dear Congressman Peterson:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

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The Honorable Collin Peterson  
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Kevin W. Concannon  
Under Secretary  
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United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

DEC 31 2009

The Honorable Frank Lucas  
Ranking Member  
Committee on Agriculture  
U.S. House of Representatives  
2311 Rayburn House Office Building  
Washington, D.C. 21515

Dear Congressman Lucas:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

Although Section 4141 authorized several different types of projects, FCEA provided funding only for incentives at the point of sale to encourage participating households to purchase fruits, vegetables, or other healthful foods. This report, therefore, focuses on USDA's activities to date to plan and develop the Healthy Incentives Pilot (HIP)-our name for the FCEA-funded demonstration and evaluation of point-of-purchase incentives.

When the Department of Agriculture (USDA) began planning for this project, we recognized the importance and the challenge it presents for using the purchase-based nature of the program to encourage and support more healthful food choices. To take full advantage of this opportunity and meet the challenge, USDA made an up-front investment of time and effort so that the project:

- Reflects fully-informed choices among many options for the pilot's scope and approach;
- Addresses the operational requirements of the program's diverse retailer population; and
- Supports a rigorous evaluation with results that tell policy makers whether these incentives make a real difference in the consumption of healthful foods.

Our development process, the key questions and issues that we addressed in designing the project, and its current status are described below.

#### Planning

To help ensure the success of this project, the Food and Nutrition Service (FNS) brought key stakeholders together in October 2008 to discuss pilot features expected to promote healthy food

choices, evaluation features required to provide authoritative results, and retailer and electronic benefit transfer (EBT) system changes needed to support pilot operations. Participants were drawn from universities, the private sector, and other government agencies. They represented diverse interests, including health and nutrition, fruit and vegetable production and marketing, food retailing (including farmers' markets), SNAP agencies, EBT systems; and research design. FNS continued to consult with a variety of experts as it developed the outlines of the pilot project and its evaluation.

### Pilot Design

The design of the pilot and evaluation have been guided by our desire to create a pilot that can successfully increase fruit and vegetable purchases, meets statutory requirements for a strong evaluation, has the potential to be replicated nationwide if successful, and fits within the available funding. Consistent with these goals, HIP will:

- Provide about 7,500 SNAP households (chosen through random selection) with an opportunity to earn the incentive over a 12-month period;
- Operate within a single site with a SNAP caseload of between 35,000 and 60,000 households-an area this size offers involvement by a reasonable number of food retailers and helps to ensure that the evaluation control group (a sample of households who do not participate in HIP) are not aware or influenced by pilot operations;
- Select and support a State SNAP agency and its designated team to plan, implement, and operate the pilot;
- Target the financial incentive to the purchase of fruits and vegetables as defined for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) cash value voucher for fruits and vegetables-these include most fruit and vegetable products without added sugar, fats, or oils and encompass all forms (fresh, frozen, canned, and dried);
- Provide an incentive equal to 30 percent of the cost of each target food purchase with a monthly cap to help discourage misuse;
- Use the existing SNAP EBT infrastructure to deliver the incentive, crediting the incentive to household EBT accounts with each target food purchase (once the incentive is posted to the account it can be used like any other SNAP benefit); and
- Offer all SNAP-authorized retailers in the pilot area that sell target foods directly to households the opportunity to participate in HIP.

### Evaluation Design

The legislation authorizing HIP provides for an evaluation and requires that "the independent evaluation...use rigorous methodologies, particularly random assignment..." To that end, a sample of about 1,500 SNAP households selected from the 7,500 participating in HIP will be randomly assigned to an experimental group, while the same number of SNAP households not participating in HIP will be randomly selected for the control group. Comparisons between these groups will form the basis for determining HIP's impacts. This research design provides the rigor necessary to attribute any changes in fruit and vegetable consumption to the incentive.



Key evaluation objectives are to:

- Determine if the financial incentive provided by HIP increases the amount of fruits and vegetables consumed;
- Determine if the incentive substitutes for resources that would otherwise have been spent on fruits and vegetables, and if additional calories consumed in fruits and vegetables displace calories from other food groups;
- Identify the household characteristics and circumstances that influence any observed impact; and
- Estimate the Federal, State and local administrative expenses and benefits.

The evaluation will also assess HIP's impacts on the State SNAP agency and its partners and describe the procedures involved in planning, implementing, and operating the pilot.

Authoritatively addressing the evaluation objectives requires a relatively complex and intensive data collection plan. Detailed information on participant dietary intake will be necessary to answer the main questions about impacts on food consumption. This information will be collected on multiple occasions to assess early dietary changes after a few months of HIP participation and again several months later. In addition, interviews with SNAP staff, EBT vendors, food retailers and other pilot team members will document the implementation experience, potentially different effects on each stakeholder group, and opinions about pilot operations.

#### Current Status

FNS will competitively select a State SNAP agency and team for the pilot, as well as an independent contractor to carry out the evaluation. An announcement of the competition for both the pilot cooperative agreement and evaluation contract was made on December 18, 2009. This announcement can be viewed at [www.fns.usda/snap/hip](http://www.fns.usda/snap/hip).

Pilot applications from States are due by May 21, 2010, and evaluation proposals are due by March 15, 2010. FNS expects to award the evaluation contract in June 2010 and select a pilot site in August 2010. Depending on the site selected and the time necessary to make the needed EBT and retailer information technology system changes, the pilot will begin operations about 12 to 15 months after selection (roughly late 2011). We estimate that the evaluation will be completed in late 2013 or about 12 months after HIP operations end. The operational time lines are subject to change based on first hand implementation experience.

In conclusion, I am pleased to report that we have worked hard to ensure that the substantial investment that Congress made in HIP will, once operations and evaluation are complete, yield rigorous information on the impact of point-of-sale incentives on fruit and vegetable consumption. I look forward to steady progress in selecting, establishing, and launching HIP in the coming year.

The Honorable Frank Lucas  
Page 4

If you have any questions or would like additional information about our progress to date or other issues related to the pilot, please feel free to contact me. A similar letter is being sent to your colleagues.

Sincerely,

A handwritten signature in black ink, reading "Kevin W. Concannon". The signature is fluid and cursive, with the first name "Kevin" and last name "Concannon" clearly legible.

Kevin W. Concannon  
Under Secretary  
Food, Nutrition, and Consumer Services





United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Herbert Kohl  
Chairman  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
United States Senate  
129 Dirksen Senate Office Building  
Washington, D.C. 20510

DEC 31 2009

Dear Senator Kohl:

Section 4141 of the Food, Conservation, and Energy Act of 2008 (FCEA) authorized the Secretary of Agriculture to carry out pilot projects to evaluate health and nutrition promotion in the Supplemental Nutrition Assistance Program (SNAP). FCEA also directed the Secretary to submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by the end of December each year, describing the status and results of each pilot operated under this authority. This letter serves as the first annual report to Congress.

Although Section 4141 authorized several different types of projects, FCEA provided funding only for incentives at the point of sale to encourage participating households to purchase fruits, vegetables, or other healthful foods. This report, therefore, focuses on USDA's activities to date to plan and develop the Healthy Incentives Pilot (HIP)-our name for the FCEA-funded demonstration and evaluation of point-of-purchase incentives.

When the Department of Agriculture (USDA) began planning for this project, we recognized the importance and the challenge it presents for using the purchase-based nature of the program to encourage and support more healthful food choices. To take full advantage of this opportunity and meet the challenge, USDA made an up-front investment of time and effort so that the project:

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- Select and support a State SNAP agency and its designated team to plan, implement, and operate the pilot;
- Target the financial incentive to the purchase of fruits and vegetables as defined for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) cash value voucher for fruits and vegetables-these include most fruit and vegetable products without added sugar, fats, or oils and encompass all forms (fresh, frozen, canned, and dried);
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The Honorable Herb Kohl

Page 4

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Sincerely,

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Kevin W. Concannon

Under Secretary

Food, Nutrition, and Consumer Services



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

The Honorable Sam Brownback  
Ranking Member  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
United States Senate  
303 Hart Senate Office Building  
Washington, D.C. 20510

DEC 31 2009

Dear Senator Brownback:

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The Honorable Sam Brownback  
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Sincerely,

A handwritten signature in black ink that reads "Kevin W. Concannon". The signature is written in a cursive, flowing style.

Kevin W. Concannon  
Under Secretary  
Food, Nutrition, and Consumer Services